

## SENATE BILL No. 502

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 2-2.1-1-14; IC 27-1-3-30.

**Synopsis:** Health benefit task force reports. Specifies that, unless a rule of the house of representatives or senate specifies otherwise, a legislative floor amendment, bill, or resolution that contains a mandated health care coverage benefit proposal may not receive final consideration unless the floor amendment, bill, or resolution is accompanied by a report containing certain information.

**Effective:** July 1, 2005.

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**Hershman**

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January 18, 2005, read first time and referred to Committee on Health and Provider Services.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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## SENATE BILL No. 502

A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 2-2.1-1-14 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2005]: **Sec. 14. (a) As used in this section, "mandated benefit"**  
4 **means certain health coverage or an offering of certain health**  
5 **coverage that is required under:**  
6 (1) **an accident and sickness insurance policy; or**  
7 (2) **a contract with a health maintenance organization.**  
8 (b) **As used in this section, "mandated benefit proposal" means**  
9 **an amendment, a bill, or a resolution pending before the general**  
10 **assembly that, if enacted, would require certain health coverage or**  
11 **an offering of certain health coverage under:**  
12 (1) **an accident and sickness insurance policy; or**  
13 (2) **a contract with a health maintenance organization.**  
14 (c) **As used in this section, "task force" refers to the task force**  
15 **established under IC 27-1-3-30.**  
16 (d) **Unless a rule of the house of representatives or senate**  
17 **specifies otherwise, a mandated benefit proposal may not receive**



1 final consideration by a standing committee to which the mandated  
 2 benefit proposal is assigned unless the mandated benefit proposal  
 3 is accompanied by a report from the task force.

4 (e) Unless a rule of the house of representatives or senate  
 5 specifies otherwise, an amendment that is:

6 (1) a mandated benefit proposal; and

7 (2) proposed from the floor of either house;

8 may not receive final consideration by that house unless the  
 9 amendment is accompanied by a report from the task force.

10 (f) A report required under subsection (d) or (e) must include an  
 11 assessment of the financial impact of the mandated benefit  
 12 proposal, including the:

13 (1) extent to which the coverage will increase or decrease the  
 14 cost of the service to which the coverage applies;

15 (2) extent to which the coverage will increase the appropriate  
 16 use of the service to which the coverage applies;

17 (3) extent to which the service to which the coverage applies  
 18 will be a substitute for a more expensive service;

19 (4) extent to which the coverage will increase or decrease:

20 (A) administrative expenses of insurers and health  
 21 maintenance organizations; and

22 (B) premium and administrative expenses of policyholders  
 23 and contract holders;

24 (5) impact of the coverage on the total cost of health care in  
 25 Indiana, including potential cost savings that may be realized  
 26 through the passage of the mandated benefit proposal;

27 (6) impact of all mandated benefits on the ability of employers  
 28 to purchase coverage under an accident and sickness  
 29 insurance policy or a health maintenance organization  
 30 contract to meet the needs of employees;

31 (7) extent to which the financial impact of all mandated  
 32 benefits, including the mandated benefit proposal being  
 33 assessed, will affect employee wages and other compensation;  
 34 and

35 (8) extent to which the financial impact of all mandated  
 36 benefits, including the mandated benefit proposal being  
 37 assessed, will affect the hiring practices of Indiana employers.

38 SECTION 2. IC 27-1-3-30 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 30. (a) As used in this  
 40 section, "accident and sickness insurance policy" has the meaning set  
 41 forth in IC 27-8-14.2-1.

42 (b) As used in this section, "health maintenance organization" has

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the meaning set forth in IC 27-13-1-19.

(c) As used in this section, "mandated benefit" means certain health coverage or an offering of certain health coverage that is required under:

- (1) an accident and sickness insurance policy; or
- (2) a contract with a health maintenance organization.

(d) As used in this section, "mandated benefit proposal" means a bill or resolution pending before the general assembly that, if enacted, would require certain health coverage or an offering of certain health coverage under:

- (1) an accident and sickness insurance policy; or
- (2) a contract with a health maintenance organization.

(e) The commissioner shall establish a task force to review mandated benefits and mandated benefit proposals.

(f) The task force must consist of nine (9) members appointed by the governor as follows:

- (1) Two (2) members representing the insurance industry.
- (2) Two (2) members representing consumers.
- (3) Two (2) members representing health care providers.
- (4) Two (2) members representing the business sector.
- (5) The commissioner or the commissioner's designee.

A registered lobbyist may not serve as a member of the task force.

(g) Members of the task force shall serve on a voluntary basis without reimbursement.

(h) The department shall provide administrative **and actuarial** support for the functions of the task force.

(i) The task force shall review mandated benefits and mandated benefit proposals as:

- (1) determined by the members of the task force; and
- (2) **required under IC 2-2.1-1-14.**

**(j) The task force shall:**

- (1) report **concerning a review conducted under subsection (i)(1)** in an electronic format under IC 5-14-6 to the legislative council not later than December 31 of each year; **and**
- (2) **provide a report concerning a review conducted under subsection (i)(2) as required under IC 2-2.1-1-14.**

~~(j)~~ **(k)** Any recommendations made by the task force must be approved by at least five (5) members of the task force.

~~(k)~~ **(l)** The department may adopt rules under IC 4-22-2 to implement this section.

~~(l)~~ **(m)** Information that identifies a person and that is obtained by the task force under this section is confidential.

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